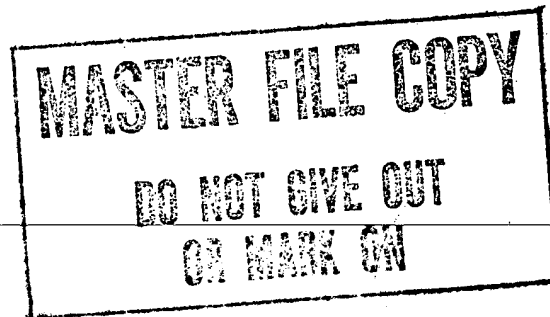




Director of
Central
Intelligence

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Implications of an Iranian Victory

Special National Intelligence Estimate

~~Secret~~

SNIE 34/36.2-2-86
October 1986

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THE NATIONAL FOREIGN INTELLIGENCE BOARD CONCURS, EXCEPT AS NOTED IN THE TEXT.

The following intelligence organizations participated in the preparation of the Estimate:

The Central Intelligence Agency, the Defense Intelligence Agency, the National Security Agency, and the intelligence organizations of the Departments of State and Commerce.

Also Participating:

The Assistant Chief of Staff for Intelligence, Department of the Army
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SNIE 34/36.2-2-86

IMPLICATIONS OF AN IRANIAN VICTORY

Information available as of 22 October 1986 was used in the preparation of this Estimate, which was approved by the National Foreign Intelligence Board on 23 October 1986.

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SCOPE NOTE

This Estimate does not address the question of who will win the Gulf war and does *not* predict an Iranian victory. It looks only at the implications of a victory *should* it occur within the next two years. It addresses the impact of a victory on Tehran's future policies and strategies, the stability and foreign policies of Arab states, political alignments in the Middle East, Soviet strategies and actions, and US political, economic, and security interests. For an Estimate on the outcome of the Gulf war see SNIE 34/36.2-86 (s [redacted], April 1986, *Is Iraq Losing the War?* [redacted])

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KEY JUDGMENTS

An Iranian "victory" in the war with Iraq would mean an official end to the fighting after at least minimum Iranian demands have been met: removal of Iraqi President Saddam Husayn, Baghdad's acknowledgment of guilt for starting the war, and possibly the payment of war reparations. There are a range of victory scenarios, up to a "total" victory in which Iran would effectively occupy most or all of Iraq, with an Iranian-controlled government ruling in Baghdad. Within this range of scenarios, Iran could occupy significant areas of Iraqi territory, and could install a puppet Shia government in occupied areas of southern Iraq, effectively dismembering the current Iraqi state. A limited Iranian victory is the most likely of these scenarios; a total victory is highly unlikely. We make no judgment as to the likelihood of these scenarios in relation to a continued stalemate in the war, or an Iraqi victory; these are considered in other Estimates. []

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We judge that any Iranian victory would enhance Iran's regional influence, strengthen the forces of Islamic fundamentalism, increase prospects for domestic unrest in several Arab states, shift regional attention to the Arab-Israeli conflict, possibly affect the reliable flow of Persian Gulf oil, be a setback to both US and Soviet interests in the Middle East, and increase superpower competition for ultimate influence in Tehran. The extent of the impact in each of these areas would be directly related to the magnitude of Iran's victory. []

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Limited Victory

A post-Khomeini Iranian regime is more likely to accept a limited victory. So long as Ayatollah Khomeini wields effective power, he is likely to press for a conclusion to the war more closely resembling the total victory scenario. Limited victory would be followed by an unstable peace, with both sides maintaining large military forces along their common border. Clashes on the border would be frequent, with large-scale incidents likely to occur. []

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Iran. A limited victory would initially increase popular support for the clerical regime in Tehran and strengthen the position of the hardliners. An end to hostilities would lead to some improvement in Iran's economy within six to 12 months, but the Iranian leadership would find it difficult to justify continued hardship and sacrifices. Over time, chronic domestic problems would be likely to threaten the regime's position. []

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Tehran is unlikely to unleash its military against other states in the region following a limited victory. While we cannot entirely discount an Iranian military move against Kuwait, Tehran would be more likely to use intimidation, subversion, and even terrorism to achieve its longer term objective of toppling the politically moderate and pro-Western regimes of the Gulf. []

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Iran's fundamental foreign policy objectives would remain revolutionary, designed to expel superpower influence from the Middle East and to set up fundamentalist Islamic regimes throughout the region:

- Iran almost certainly would shun close relations with the United States and the Soviet Union, pursuing a nonaligned foreign policy.
- Nonetheless, Tehran's priority on strengthening itself militarily and economically would lead Tehran to improve ties to some Western states and perhaps also to Moscow to buy advanced weapons and high-technology items.
- Tehran would work to maintain its ties to radical states like Syria and Libya and radical organizations like Hizballah in Lebanon, seeing them as useful allies to thwart US regional interests.
- Iran would increase its support to pro-Iranian Shia insurgent groups in Afghanistan, mainly in the form of small arms, training, and money. []

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Iraq. Any government that succeeded the Saddam Husayn regime would concentrate on consolidating its domestic political position, probably by relying heavily on repression. It most likely would be military, secular, and predominantly Sunni, and its survival would depend on the cohesion of the military and continued Gulf Arab financial support. High priority would be given to rebuilding the economy and keeping the military strong. []

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At least initially, a secular or military government probably would follow a foreign policy line similar to that of the Husayn regime. It would maintain its military supply relationship with the Soviet Union, but would likely continue also to expand ties to the West, encourage foreign investment, and increase the stake of Western nations in Iraq's security. We would not expect Baghdad to try to subvert Gulf Arab regimes, although it would take a more assertive stand toward these states than it has in recent years. []

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Persian Gulf States and Oil Supplies. We do not believe that the political stability of the Gulf states would be threatened in the immediate aftermath of a limited Iranian victory, although political

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unrest within Gulf Shia communities probably would increase. Gulf leaders, fearing Iran would move next against them, probably would strengthen their conventional military and internal security capabilities and seek outside allies. At the same time, they would seek improved relations with Tehran as a form of insurance. If hostilities developed between Iran and any of the smaller GCC states, we would expect Saudi Arabia to become involved militarily and request US assistance.

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Following a limited victory, Iran and Iraq almost certainly would try to increase oil production. To prevent a fall in prices, Tehran would be likely to pressure Saudi Arabia and Kuwait to reduce exports. We do not believe Riyadh or Kuwait would oblige, and Tehran could sabotage Kuwaiti oil facilities. Tehran has only limited ability to stage and sustain a successful interdiction or sabotage campaign against Saudi exports.

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Middle East Politics. An Iranian victory that left a Sunni regime in Baghdad probably would not alter existing political alignments in the Middle East but would accelerate some trends already under way:

- We would expect regional attention to shift back to the Arab-Israeli arena. Iran would be likely to increase support for radical Islamic and Palestinian groups, particularly in Lebanon. Israel would respond by bolstering its allied Army of South Lebanon and, when necessary, sending in additional Israeli forces for limited periods.
- Tehran also would be likely to step up its support to pro-Iranian Shia insurgent groups in Afghanistan, mainly in the form of small-arms delivery, training, and logistic assistance. The Iranian contribution would not significantly threaten the Soviet position.
- Syrian-Iranian ties would survive a limited victory, but conflicting foreign policy interests would reduce cooperation in some areas, particularly in Lebanon.
- Arab moderates probably would continue to close ranks and enhance political and security ties.
- Radical Islamic forces would be emboldened throughout the Middle East, and some antiregime activities probably would occur in Bahrain, Kuwait, Egypt, Syria, and Jordan.

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Soviet Union. A limited Iranian victory would undercut Soviet influence in Baghdad, make Tehran less likely to improve relations with Moscow, and deal another blow to Soviet credibility as an ally. The Soviet Union would face a dilemma: balancing its desire to improve its position in Tehran against a wish to take advantage of an unstable

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situation to enhance its relations with the Arab states of the Gulf. Soviet attempts to capitalize on the Gulf states' fear of Iran by offering security assistance to them probably would meet with only limited success. In the event of greatly increased Iranian activism in Afghanistan, Moscow would be likely to respond with military pressure along the Iranian border or intrigue in Azerbaijani or Kurdish Iran. [REDACTED]

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If the United States increased its military presence in the Persian Gulf region following a limited Iranian victory, Moscow probably would respond by attempting to increase its military presence or profile in Iraq, Syria, or the Indian Ocean. The Soviets also would be likely to offer Tehran intelligence on US naval movements and some weaponry.

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United States. Any Iranian victory would, in some measure, threaten US interests in the Middle East because it would invigorate anti-US forces, menace the stability of moderate pro-Western Arab governments, and make possible the partial disruption of Persian Gulf oil exports. US interests would be most threatened by the likely rise in Islamic fundamentalism and any resulting instability in Bahrain, Kuwait, and Egypt. Tehran probably would remain hostile to the United States for at least several years and would seize opportunities to weaken US influence in the region. [REDACTED]

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The damage to US interests would be considerably offset if:

- The Soviets lost influence in Iraq without compensatory gain in Iran and the Gulf.
- The Gulf regimes moved to strengthen their security ties to the United States, and the moderate Arab states worked more closely together.
- Increased Iranian support to the Afghan insurgents harmed Soviet interests in Afghanistan without thwarting US policy objectives. [REDACTED]

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Total Victory

In the unlikely event that Iran achieved a total victory over Iraq and was able to set up a puppet Shia regime in Baghdad, Iran would loom as a much greater threat to the political stability of nearby Arab states, the flow of Persian Gulf oil, Israeli security, and both US and Soviet interests. A total Iranian victory also would significantly increase the chance of a superpower confrontation in the region. [REDACTED]

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Iran. The political position of Iranian hardliners would be significantly strengthened by a total victory, and they would be able to push successfully within the government for an acceleration of the export of

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the Islamic revolution to other countries. Iran probably would quickly step up its support and subversive training for various antiregime groups throughout the Gulf and lend logistic support and financial support to terrorist activities. Total victory also would lead Tehran to adopt more aggressive policies in Lebanon and to engage in more terrorist attacks against Israeli interests. []

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Iraq. Most analysts believe an Iranian-imposed Shia regime would face strong and protracted opposition from various ethnic and religious groups and would have a less than even chance of maintaining itself in power for more than a year. Others believe that a total Iranian victory could only occur after Iraq's military had crumbled and the bulk of its military and political leadership had fled. Under such circumstances an Iranian-supported Shia regime, buoyed by popular Shia fervor, would have a fair chance of remaining in power. The likelihood of either of these scenarios occurring would depend on the circumstances of the Iraqi defeat and the nature of the new regime in Baghdad. []

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In the area of foreign policy, such a regime would, at least initially, be largely responsive to Iranian policy. We do not believe it would seek close relations with either the United States or the Soviet Union and it probably would be unsuccessful in forging close ties to any Arab state.

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While very unlikely, it is possible that a total Iranian victory could lead to the disintegration of Iraq as a single sovereign state. A defeated Iraq could split into separate entities—perhaps an Iranian-supported Shia state in the south, an emasculated Sunni state in the central region, and a contested Kurdish area in the north, possibly leading to significant Turkish involvement. []

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Persian Gulf States and Oil Supplies. Any Iranian victory would tend to foster closer military and security ties between the United States and some Arab states of the Persian Gulf as these states would perceive themselves vulnerable to Iranian aggression. After a total victory and perhaps the threat of imminent invasion, Saudi Arabia and some Gulf states would be likely to allow the pre-positioning of US military equipment on its territory and grant the United States limited access to military facilities. At the same time, the Gulf states would be faced with sharp increases in Islamic fervor and domestic Shia unrest, and we believe the political stability of Bahrain and Kuwait would be threatened. []

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A total Iranian victory would give Tehran increased influence within OPEC as it would control Iraqi production and Kuwait probably would be intimidated into reducing exports. Tehran's control of about 7 million b/d of productive capacity of Iran, Iraq, and perhaps Kuwait

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would have wide-ranging political implications, enhancing Iran's political clout in the international arena. Nevertheless, Iran would need Saudi cooperation to have a significant effect on the oil market. []

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Middle East Politics. A total Iranian victory would be likely to alter political alignments in the Middle East, prompt serious domestic unrest in several states, and increase chances of hostilities between Iran and regional states:

- A total victory would encourage Iran to step up support for various antiregime groups throughout the Gulf, accelerate the expansion of subversive cells in Gulf Shia communities, and lend logistic and financial support to terrorist activities. The risk of Iranian military action would increase. Although Tehran would focus its efforts on Kuwait and Bahrain—the two Gulf states with the largest proportional Shia populations—Iranian leaders also would try to foment unrest among the 400,000 Shias in Saudi Arabia's Eastern Province. Riyadh could cope with this unrest.
- We believe Syrian-Iranian ties would weaken considerably in the event Iran scores a total victory. Damascus would view a Shia regime in Baghdad allied with Tehran as a serious security and military threat to Syria's secular government as well as to Jordan and Gulf Arab regimes. Nonetheless, we cannot discount the possibility that some aspects of the Syrian-Iranian relationship would survive in the immediate aftermath of a total Iraqi defeat.
- Islamic forces would be significantly strengthened in Egypt, and serious domestic unrest probably would result. The ability of the Mubarak regime to handle such unrest would be uncertain.
- Increased Iranian assistance to Shia groups in Lebanon that altered the security situation along Israel's northern border probably would prompt Israel to increase its military presence in Lebanon and strengthen its northern border defenses. []

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Soviet Interests. The Soviets would face a dilemma of whether to oppose or accommodate Tehran. US actions would play an important part in Soviet thinking. Moscow would view a total Iranian victory as a major blow to its regional interests, and it would move quickly to strengthen Syria's military position. Although the Soviets would still try to improve ties to Tehran, they also would be more likely to send a cautionary signal, such as troop movements on their joint border, to warn Iran against making a military move against another country. In the unlikely event Iran moved militarily against Syria, we would expect the Soviets to intervene directly to support Damascus. []

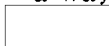
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US Interests. A total Iranian victory also would pose a serious threat to US interests, as resulting domestic unrest would threaten some moderate pro-Western regimes. Any requests for increased US military assistance and presence from moderate Arab states would significantly raise the potential for US involvement in the region. At the same time, we would expect Tehran to increase its aggressive activities gradually as a way to determine when and how the United States would intervene.



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DISCUSSION

Defining an Iranian Victory

1. Iran is unlikely to declare victory over Iraq and end the war until some fundamental Iranian objectives are realized, particularly as long as Ayatollah Khomeini lives. This would entail, at a minimum, the fall of Iraqi President Saddam Husayn, Baghdad's acknowledgment of guilt for starting the war, and probably the provision of war reparations to Tehran from the Arab states of the Persian Gulf. This limited victory may or may not be accompanied by Iranian seizure of additional Iraqi territory. A total Iranian victory, though highly unlikely, would involve the collapse of Iraqi military forces, the installation of an Iranian-sponsored Shia regime in Baghdad, and Iranian military occupation of a significant portion of Iraqi territory. Between these two scenarios lies a spectrum of other potential outcomes, such as the establishment of a Shia puppet government occupying a portion of southern Iraq.

2. In our view, *the most likely Iranian victory would involve the overthrow of Husayn and most members of the Revolutionary Command Council, some war reparations, and Iranian seizure of some additional Iraqi territory.* In such a scenario, a secular Sunni government would remain in power in Baghdad, and the Iraqi military, albeit bloodied, would continue to be a formidable obstacle to further Iranian gains.

Implications for the Combatants

Iran

3. **Accepting Limited Victory.** The willingness of Iran to accept less than total victory within the next two years would largely depend on Khomeini's death, the state of its military, and the health of its economy at the time its fundamental objectives were met. If Saddam Husayn fell at a time when Iran's military forces were in a strong position to capture additional Iraqi territory, and the Iranian economy was able to support additional offensives, we believe Iranian hardliners would be able to argue successfully, especially if Khomeini were still alive, for continuing the war in hopes of establishing an Islamic regime in Baghdad. Indeed, if Saddam Husayn's fall was precip-



Ayatollah Khomeini

itated by a significant Iranian seizure of Iraqi territory, Iran's appetite for complete victory over Iraq almost certainly would be whetted. If, on the other hand, the catalyst for Husayn's fall was a pyrrhic Iranian battlefield victory that had inflicted a tremendous human and economic cost on Iran, Tehran probably would be willing to opt, at least temporarily, for a standdown of hostilities. We believe Iran probably would not agree to a formal negotiated settlement under this scenario, and a situation comparable to the Syrian-Israeli relationship probably would exist along the border for many years.

4. **Domestic Situation.** Virtually any victory would initially strengthen the political position of Iranian hardliners because their policies would have been vindicated by the fall of the Saddam Husayn regime. There would be an immediate euphoric surge in popular support for the clerical regime, and even regime critics probably would rally around the government in the immediate aftermath of victory. Over time the hardliners' position could weaken as the human and economic costs sink in.

5. Aside from the psychological uplift that victory would provide, the clerical regime's position probably would be most strengthened by the gradual improvement in Iran's economy after the war. The availability

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of goods and the quality of services probably would increase within six to 12 months after victory. We believe Tehran, at least initially, would be likely to use any economic gains in part to raise the standard of living throughout the country as a way to reward Iranians for the hardships of war and to increase popular support for the regime. []

6. The improvement in Iran's economy—although limited—will result from:

- Some, probably modest, increase in oil revenues.
- An increase in real economic activity due to the cessation of war damage, and reconstruction activities.
- The probable receipt of some war reparations.
- Increased foreign assistance and financing.

While Tehran would no doubt like to cut back on military expenditures to divert its resources for reconstruction and economic development, military spending will probably have to remain high to allow Iran to rebuild its armed forces. []

7. It is possible that a limited Iranian victory might provide Iran with greater economic benefit than a total victory. Iranian occupation of Iraq or the installation of an Islamic regime in Baghdad would be costly to Tehran, particularly since Arab Sunni, Kurdish, and, in time, Shia opposition movements almost certainly would challenge either a new government or an Iranian presence. Moreover, the Arab states of the Persian Gulf would be unlikely to provide reparations to Tehran in the event of Iranian hegemony over Iraq. Even if Iran had full disposition of Iraqi oil exports, we do not believe it would completely offset the costs of controlling the country politically or militarily. []

8. Notwithstanding the initial salutary economic and political benefits that would accrue to the clerical regime after any victory, the Iranian Government would face a host of formidable domestic problems within a relatively short period of time. Without Saddam Husayn and the war, the Iranian leadership would find it difficult to distract popular attention from difficult political and still-pressing economic problems or to justify continued hardship and sacrifices:

- Iran's depressed civilian economy would not be able to provide sufficient employment opportunities for Iranian troops returning from the front.
- Despite initial improvements, reconstruction of the economy would be slow, and austerity during

peace probably would not be as widely tolerated as it had been during war.

- Conflicting views on economic planning and development, domestic political issues, and foreign policy, as well as the prospect of political jockeying during the post-Khomeini era, would threaten to split the leadership.
- The various military and paramilitary organizations would compete for influence and responsibility, and Iranian leaders would compete for influence over them. []

9. The impact of a victory on the long-term political prospects for the clerical regime is uncertain. A total victory would be likely to raise morale across the board in Iran, and would solidify the positions of the hardliners within the government, probably buttressing a commitment to the continued "export of the revolution." In a limited victory, the long-term domestic impact is less clear. We believe that any victory would strengthen the hold on the country by the clerical regime over the short term. The war has been a major factor in diverting attention from a wide variety of domestic problems. Over the long term, however, an end to the fighting could well lead the various factions in Tehran to bring into the open their disagreements—particularly on domestic issues—which have been relatively suppressed during the course of the war. While we judge, on balance, that a victory would further legitimize the revolution and the clerical regime, and buy time for the government, the ultimate impact is not a foregone conclusion and would depend on the government's success in solving the wide variety of problems that it must face after the war. []

10. **Foreign Policy.** A limited Iranian victory is unlikely to cause Tehran to unleash its military forces against other states in the region, at least in the immediate aftermath of an Iraqi defeat. Iran's *near-term* strategy would be to exert political influence over the foreign policies of the weaker Gulf regimes, enhance its image as the dominant regional power, expand its economic markets, and increase oil revenues. Nonetheless, we cannot discount an Iranian military move against Kuwait, either in a limited victory or, especially, during or after a total victory. []

11. Tehran would not hesitate to use heavyhanded tactics to gain compliance with its policies, and we would expect a direct correlation between the magnitude of an Iranian victory and the scope and intensity of Iranian intimidation. Although Iran has shown restraint in following through on threats and ultima-

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turns it has made to Gulf leaders during the war, we believe Tehran would be more likely to make good on such threats after a victory. Iran probably would use terrorism, subversion, and even military intimidation against the Gulf states. []

12. We believe that any victory would embolden Tehran to pursue its longer term objective of toppling the politically moderate, pro-Western, and Sunni regimes of the Persian Gulf. A total victory especially would encourage Iran to step up support and subversive training for various antiregime groups throughout the Gulf, accelerate the expansion of subversive cells in Gulf Shia communities, and lend logistic and financial support to terrorist activities. Although Tehran would be likely to focus its efforts on Kuwait and Bahrain—the two Gulf states with the largest proportional Shia populations—Iranian leaders also would try to foment unrest among the 400,000 Shias in Saudi Arabia's Eastern Province. Iran almost certainly would try to capitalize on any upsurge in Shia fervor within Gulf states immediately following an Iranian victory over Iraq. The installation of a Shia regime in Baghdad, moreover, might cause Iran to leap directly to its longer term objectives if it sensed that the Gulf regimes were vulnerable to overthrow if it moved quickly and decisively. []

13. Tehran would try to maintain its ties to both Syria and Libya after a victory, especially if Iranian gains were minimal, since these ties represent impor-

tant Iranian inroads in the Arab world. To lessen Syria's concern about alienating Jordan, Saudi Arabia, and the other Gulf states, Iranian leaders almost certainly would offer increased economic assistance to Damascus as a way to maintain cordial ties. Nonetheless, Tehran would not abandon its subversive activities in the Gulf states or its ultimate objectives in Lebanon to maintain its alliance with Damascus or Tripoli, particularly if it achieved maximum victory. []

14. Any Iranian victory would almost certainly generate greater Iranian involvement in Lebanon, where Iran has both political and religious interests in supporting factions of the large Lebanese Shia community. Iran believes that Lebanon, or a significant part of that country, is the next logical location for the establishment of an Islamic government. At a minimum, we would expect Iran to increase its financial support to Hizballah and other radical Islamic groups and to seek an increase in Iranian Revolutionary Guard presence in Lebanon. []

15. We judge that Tehran would not be in a position to significantly increase its role in Afghanistan immediately after a victory, but probably would step up financial and logistic assistance to the Shia insurgent groups it currently supports. Iranian assistance would continue to be mainly in the form of small arms and training, and would be channeled almost exclusively to Shia groups. The Soviet occupation of

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Afghanistan is a major point of contention between Tehran and Moscow, and would probably grow in importance after an Iranian victory as Tehran is increasingly free to turn its attention east. Iranian policy in Afghanistan aims at the withdrawal of the Soviets and the establishment of an Islamic government in Kabul. Iranian criticism of the "interference" in Afghanistan by the United States and other Western states will also continue, as Iran attempts to resist all foreign intervention in the area. Iran would likely be an irritant to all the parties to the war, and try to influence the peace negotiations. Although Iran's role in Afghanistan is likely to increase somewhat over time, Iranian support to the insurgents is marginal, and the Iranian role in any future settlement is likely to be minimal. []

16. We would expect Iran to follow an independent foreign policy after a victory, shunning close political and security ties to both the West and the Soviet Union. Iran's nonalignment would be as much a factor of its ideological disdain of Western "imperialism" and Communism as it would be of Tehran's strong reluctance to rely on a major power for the protection of its vital interests. []

17. Nonetheless, we believe Tehran would seek to improve relations with Western Europe and the Soviet Union to end what it believes are US efforts to isolate Iran. Tehran would be most interested in purchasing sophisticated weapons, finding markets for its exports, and importing high-technology equipment and expertise. []

18. A total victory would make Iran even less likely to end its hostility toward the United States. We believe that any sentiment within the leadership for a gradual improvement in US-Iranian ties would be likely to evaporate after a total victory, particularly since Tehran achieved its goal of defeating Iraq while snubbing the United States. This view probably would change if political events within Iran after the war caused the position of the hardliners to erode and the influence of the pragmatists to increase. []

Iraq

19. **Accepting Defeat.** If Saddam Husayn were overthrown, we believe a government composed of Ba'thists and military officers would be willing to lay blame for the initiation of the war on him and the RCC and even agree to some reparations if it were to lead to Iranian acceptance of a limited victory. Still, we believe the Iraqi political system would remain nationalistic, secular, and predominantly Sunni. We do not believe any Sunni government would accept a negotiated settlement to the war that gave Iran sovereignty over any significant piece of Iraqi territory. We



Iraqi President Saddam Husayn

do not believe a fundamentalist government—Shia or Sunni—could emerge in Baghdad as long as Iraq's military held together. []

20. **Domestic Situation.** The principal objective of any regime that either conceded or welcomed an Iranian victory would be to consolidate its domestic political position. The removal of Saddam Husayn and the RCC would create a tremendous power vacuum within Iraq, and a successor regime almost certainly would have to rely heavily on repressive authoritarian measures to maintain itself in power. Consequently, individuals who gained control of the military would be most likely to wield power within the regime. []

21. Under a limited Iranian victory scenario, we believe a Sunni regime probably would be able to maintain itself in power in the aftermath of defeat. Competing political factions in Iraq would be likely to cooperate and present a united front, at least initially, in hopes of discouraging further Iranian aggression. The cohesion of the Iraqi armed forces as well as continued support from Gulf Arab states, however, would be critical for domestic stability. []

22. If a total Iranian victory brought a Shia government to power in Baghdad, the new regime would face strong and protracted opposition from various ethnic and religious groups. The regime would be preoccupied with establishing control over the country and would require a large number of Iranian troops for support. It probably would focus its efforts on maintaining control over major cities, oilfields, transportation routes, and waterways. We do not believe it would meet with much success in eliminating opposi-

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tion activities, especially since Sunni forces almost certainly would receive extensive financial and military support from other Arab states. Sunni-dominated forces probably would remain in control of several large Iraqi cities, such as Mosul in the north, and they would stand a good chance of eventually ousting a Shia government, especially if Iranian military support slackened over time. []

23. Some analysts¹ believe that a total Iranian victory could only occur after Iraq's military had crumbled and the bulk of its political and military leadership had fled the country. Under such circumstances, an Iranian-supported Shia regime would have a fair chance of filling the power vacuum. Any resistance would be met by repressive authoritarian measures enforced by both Iranian forces and Iraqis who had shifted allegiance to the new regime. Moreover, though Kurdish and Sunni resistance could be expected, such resistance is unlikely to generate much external support. Under this scenario, though resistance might be extremely fierce and widespread at the onset, it probably would dissipate within a relatively short time. Thereafter it would evolve into low-level skirmishes posing minimal threat to the Shia regime. []

24. Although highly unlikely, a total Iranian victory might lead to the disintegration of Iraq as a single sovereign state. A defeated Iraq could split into separate entities—perhaps an Iranian-supported Shia state in the south, an emasculated Sunni state in the central region, and a contested Kurdish area in the north. In the event of such a breakup, internal strife, violence, and possibly civil war would mark the next decade. The Sunnis and Kurds possibly would reach a modus vivendi to cooperate in thwarting further Shia or Iranian gains. []

25. **Foreign Policies.** In a limited Iranian victory, a secular civilian or military government in Baghdad probably would follow, at least initially, a foreign policy line similar to that of the Husayn regime. To strengthen its domestic political, economic, and military position, it would look to strengthen ties to Arab allies like Jordan, Saudi Arabia, and Egypt. We would not expect a defeated Iraq to return to a policy of subverting the traditional Arab regimes of the Gulf, although it would take a more assertive posture toward

these states than it has in recent years. Baghdad would view the stability of these states as important to its own security interests, particularly since it would still be dependent on their financial assistance. A new regime also probably would try to improve relations with Damascus, hoping that Husayn's ouster and Syrian-Iranian differences over Lebanon would encourage Syria to reduce its support for Tehran. []

26. After defeat, a Sunni government almost certainly would seek to maintain its military supply relationship with the Soviet Union, but the new regime would continue to try to upgrade its ties to the United States and the West. Some within the new regime would blame Iraq's defeat on Moscow, seeing Soviet military equipment, training, and intelligence assistance as inferior to that available from the West. Moreover, a successor government probably would continue efforts to encourage foreign investment, hoping to improve the economy and increase the stake of Western nations in Iraq's security and help finance reconstruction efforts. []

27. In the event of a total victory, an Iranian-sponsored Shia regime in Baghdad would initially be little more than a tool of Tehran, especially in foreign policy. It almost certainly would shun close relations with the Soviet Union and the United States, pursuing Iran's nonaligned course. Although it would try to maintain relations with Arab states, it probably would be ostracized within the Arab world and viewed as no more than a Persian puppet state. We do not believe it would be successful in forging close ties to any Arab state. []

Iran-Iraq Relations

28. Regardless of the nature of an Iranian victory, relations between Iran and Iraq are likely to remain tense in the long term. In the likely event that a Sunni regime remained in power in Baghdad, both states would continue to strengthen their military forces and vie for influence in the region. Sizable armies almost certainly would be maintained along the border, and skirmishes would occasionally erupt. Although Tehran would be more likely than Baghdad to initiate major hostilities, both almost certainly would exploit opportunities to improve their military position by making tactical strikes across the border. Each side would support opposition groups and would try to foment unrest. Iraq would look to regain any territory it had lost in the war. []

29. Even in the unlikely event that an Iranian-sponsored Shia government emerges in Baghdad, most analysts expect relations between the new regime and

¹ This view is held by the Director, Defense Intelligence Agency; the Assistant Chief of Staff for Intelligence, Department of the Army; the Director of Naval Intelligence, Department of the Navy; the Assistant Chief of Staff, Intelligence, Department of the Air Force; and the Director of Intelligence, Headquarters, Marine Corps. []

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Tehran to sour after a short honeymoon period. Moreover, longstanding enmity between Persians and Arabs and likely Iranian attempts to dictate Iraqi policy, particularly in oil production and exports, also would cause the relationship to weaken. []

30. Others² believe that, while mutual enmity would continue between elements within the Iranian and Iraqi people, the Iraqi Ba'thist Party and especially Saddam Husayn would be charged with the responsibility for Iraq's ruin. Faced with few alternatives, significant numbers of Iraqis probably would accept a regime that controlled the reins of power and would attempt to work within the new order. There also would be a good chance that religious fervor would rise among Iraqis, which would support an expansion of the radical fundamentalist revolution. []

31. Neither the death of Khomeini nor an abrupt regime change in either state would significantly improve prospects for long-term cooperation between Iran and Iraq. The mutual enmity that has been engendered by the great loss of life and property during the war would not cease with an end to hostilities or an ideological shift within either government. We believe that, under virtually any scenario, the Iranian and Iraqi people will remain antagonists well into the next century. []

Implications for Arab Regimes of the Persian Gulf

32. The GCC states would view even a limited Iranian victory with alarm and as a harbinger of aggressive Iranian actions against them. To reduce the threat posed by Iran, we believe these states would follow a dual-track strategy of strengthening their conventional military and internal security capabilities while at the same time attempting to placate the Iranian regime. Saudi Arabia almost certainly would take the lead in both areas. The smaller Gulf states would look to Riyadh to protect their interests, but they probably also would seek independent means of reducing the Iranian threat. Despite compelling reasons for closer military cooperation among GCC states, political differences about how to deal with Iran probably would inhibit cooperation among Council members. []

33. These regimes are vulnerable to Iranian subversion, terrorism, and military attack, and we believe they would seek to upgrade their security and military

² This view is held by the Director, Defense Intelligence Agency; the Assistant Chief of Staff for Intelligence, Department of the Army; the Director of Naval Intelligence, Department of the Navy; the Assistant Chief of Staff, Intelligence, Department of the Air Force; and the Director of Intelligence, Headquarters Marine Corps. []

ties with other Arab states and the West. Although they would proceed cautiously to avoid antagonizing Iran, they would want Iran to take notice of their expanded and strengthened security relationships. We believe the Gulf states would first look to Jordan, Morocco, and Egypt to provide assistance, fearing that a visible Western presence would invite an Iranian response. []

34. Most analysts believe that a total Iranian victory over Baghdad probably would lead Saudi Arabia and many of the other Gulf regimes to overcome their erstwhile reluctance to grant the United States access rights to their military bases and permission to pre-position military equipment. Gulf leaders would be most likely to take this step if the collapse of Iraq's military and its Sunni secular government took place rapidly. Although they would realize that this would antagonize Tehran, they probably would assess that not to do so would put them at even greater risk. They also would be likely to seek to augment their military forces with foreign troops from other Arab and Islamic states and step up military purchases from the United States and Western Europe. []

35. Other analysts³ believe that a total Iranian victory would complicate US ties to the moderate Gulf Arab regimes. Though there would be at least an even chance that some GCC states would request and expect increased US equipment and advisory support to impede Iranian expansion, they are unlikely to afford access rights to their military bases or permission to pre-position military equipment until they are faced with the fact of an Iranian-supported invasion. In the interim, some regimes privately would seek US assurances—as well as Soviet ones—that any Iranian instigated incursion would be resisted. []

36. If Iran seized southern Iraq, we believe Saudi Arabia would send some ground units to Kuwait and Bahrain. Although any Saudi move would be mainly symbolic, Riyadh would hope that its ties to Washington would deter Iran from moving against Saudi Arabia or any other GCC state. In the event of an Iranian attack against any GCC state, we would expect Saudi Arabia to become involved militarily and request US military assistance. []

37. Any Iranian victory would increase political agitation among Shia communities throughout the Persian Gulf region. Under a total victory scenario the

³ This view is held by the Director, Defense Intelligence Agency; the Assistant Chief of Staff for Intelligence, Department of the Army; the Director of Naval Intelligence, Department of the Navy; the Assistant Chief of Staff, Intelligence, Department of the Air Force; and the Director of Intelligence, Headquarters Marine Corps. []

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political stability of Bahrain and Kuwait probably would be threatened and the risk of Iranian military attack would increase. Regardless of the extent of Iranian inspiration, Shia radicals in these Gulf states almost certainly would try to capitalize on any renewed popular Shia fervor—especially following a total victory—by carrying out antiregime activities, including terrorist attacks. Brutal Iranian treatment of Iraqis in occupied Iraqi territories would temper popular Gulf Arab Shia support for Iran. If Iran is successful in installing a Shia government in Baghdad, we believe there would be some chance that the Al Khalifa regime in Bahrain and less likely the Al Sabah regime in Kuwait would be overthrown. []

38. **Persian Gulf Oil Supplies.** Following a limited victory, Iran and Iraq almost certainly would try to increase oil production. Additional war damage to the infrastructure of both states could limit production increases. To prevent increased production from putting downward pressure on prices and possibly causing an oil price collapse, Baghdad and Tehran would be likely to pressure Saudi Arabia and Kuwait to reduce exports. If, as we expect, the Saudis and Kuwaitis refuse to go along, Tehran would try to instigate unrest among their Shia communities or even sponsor sabotage against their oil facilities. Kuwait is the most vulnerable to Iranian disruptive activity, and we believe Tehran is capable of conducting sabotage against Kuwaiti oil facilities that could reduce significantly its export levels. On the other hand, Tehran has limited ability to stage and sustain a successful interdiction or sabotage campaign against Saudi oil exports. Barring unlikely political chaos in the kingdom within the next two years, we would expect an Iranian victory to have little impact on Saudi production levels and thus on the world oil market. []

39. A total Iranian victory would give Tehran increased influence within OPEC as it would control Iraqi production and Kuwait probably would reduce its exports in the face of Iranian pressure. Iran, Iraq, and Kuwait have about 7 million b/d of productive capacity and more oil reserves than Saudi Arabia—enough to challenge Riyadh's dominant market position. As long as substantial surplus capacity exists in OPEC, perhaps to 1990 or beyond, Iran would have to enlist Saudi support for any major price increase because Riyadh has enough excess capacity to offset Iranian initiatives to lower OPEC output. In addition to its impact on the oil market, a total Iranian victory would have wide-ranging political implications, enhancing Iran's political clout in the international arena. []

40. Over the longer term, Iran's capability to subvert Gulf Arab regimes, significantly enhanced by total victory over Iraq, could have a dramatic impact on the level and politics of Gulf oil exports. Domestic political unrest in Gulf states could put a significant amount of oil production in danger, particularly since oil facilities would be prime targets of antiregime violence, posing a serious potential threat to the health of Western economies. []

Implications for Middle East Politics

41. An Iranian victory that left a Sunni regime in Baghdad probably would not alter existing political alignments in the Middle East but would accelerate some trends already underway. Arab moderates, if they sense a growing Iranian threat to their security, would continue efforts to close ranks and enhance political and security ties. Saudi Arabia and other GCC states probably would broaden and perhaps reestablish relations with Egypt. []

42. We do not believe that Syria would abrogate its relationship with Tehran under a limited Iranian victory scenario, although cooperation in some areas probably would decline. Syria probably would seek initial accommodation with Iraq but would have difficulty maintaining cordial ties to any regime likely to emerge in Baghdad within the next decade. Consequently, Damascus would try to maintain hostilities between Iran and Iraq for as long as possible as a way to keep any regime in Baghdad weak and preoccupied. Nonetheless, we believe that Damascus sees greater danger in the emergence of a Shia government in Baghdad and thus, at some point, would work to undermine Iran's ability to achieve full victory. []

43. Although we believe Syrian-Iranian relations would survive a limited Iranian victory, tensions almost certainly would increase in the relationship over conflicting foreign policy interests. Heightened competition for influence in Lebanon would develop, especially if, as we would expect, Iranian involvement in Lebanon increased after a victory. We believe that Syria would move strongly against Iranian surrogates in Lebanon if it judged that radical Shias were emerging as a threat to Syrian predominance. []

44. We believe Syrian-Iranian ties would weaken considerably in the event Iran scores a total victory. Damascus would view a Shia regime in Baghdad allied with Tehran as a serious security and military threat to Syria's secular government as well as to Jordan and Gulf Arab regimes. Nonetheless, we cannot discount the possibility that some aspects of the Syrian-Iranian

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relationship would survive in the immediate aftermath of a total Iraqi defeat. []

45. A total Iranian victory almost certainly would produce an immediate upsurge in Islamic fundamentalist fervor throughout the Middle East. Aside from increasing religiousness among the Shias of the Gulf and Lebanon, restive Sunni Islamic groups in Egypt, Tunisia, Morocco, Jordan, and Syria would be energized and might use the occasion to organize antiregime activities and even violence. Islamic elements could easily exploit the poor economic conditions in these states and probably would have some success in engendering popular support. Bahrain, Kuwait, and Egypt probably face the greatest threats to their stability. []

46. A total Iranian victory that threatened the Gulf Arab states with Persian domination and Islamic revolution probably would generate a broad yet uncoordinated Arab response. Morocco and Jordan probably would make some contributions to Gulf security efforts, but only Egypt would be able to commit sizable military assets. Bahrain and Kuwait would be the first Gulf states to request this military assistance, probably even before Iran achieved total victory. The price tag for Egyptian involvement would be extremely high, and Cairo's decision whether or not to commit troops to help defend the Gulf states would depend mainly on domestic political factors in Egypt. A decision to send troops could promote significant popular and religious opposition regardless of the economic benefits that would eventually accrue to Egypt. []

47. **The Arab-Israeli Conflict.** A limited Iranian victory would have some, but limited, influence on the Arab-Israeli conflict in the near term. Continued tension along the Iran-Iraq border would tie down the armies of both states, and we would not expect either state to be able to make a significant contribution during an outbreak of Arab-Israeli fighting for several years. Both Baghdad and Tehran would have more immediate foreign policy objectives than dealing with Israel. []

48. Under almost any Iranian victory scenario, however, increased Iranian attention to the Arab-Israeli conflict would likely result in increased support for radical Islamic and Palestinian groups and an upsurge of terrorist attacks against Israeli interests, using Lebanon as a staging ground. Israel's likely response to increased Iranian activity in South Lebanon would be to bolster its allied Army of South Lebanon and, when necessary, to send in Israeli forces for limited periods. Israel would probably also try to cut off arms reaching Iran through private Israeli arms

dealers, and attempt to staunch the flow of arms from Hizballah bases in Lebanon's Bekaa Valley to the south. There is little concern about Iranian influence in the West Bank and Gaza strip. The Muslim population of the occupied territories is almost entirely Sunni, and we do not believe that Khomeini's brand of Shia fundamentalism will entice many Palestinians in the territories. []

49. A complete Iranian victory would pose a definite threat to Israel's security. Under such a scenario, Iranian hardliners would be in a strong position to argue that the next goal for Iran's Islamic revolution be the liberation of Islamic sites in Jerusalem. The means by which Iran would pursue this goal are unclear given likely opposition by Syria and Jordan. []

50. A total Iranian victory would not enhance prospects for peace negotiations between Israel and Arab states. Nonetheless, Jordan and Saudi Arabia would see a greater threat from Iran than from Israel and probably would judge that they could safely ignore their western enemy while they strengthened their eastern defenses. []

Extraregional Actors

51. A number of West European governments are positioning themselves for eventual Iranian predominance in the Gulf, mainly in an effort to capitalize on the economic and commercial windfalls likely to take place once hostilities end. We believe most West European states continue to be skeptical about the chance for a near-term Iranian victory or are not overly concerned about its implications. France, however, is an exception and Paris is worried about Iran's intentions. While the most likely Iranian victory scenario (one confined to the removal of Saddam Husayn and payment of some reparations to Iran) would not cause West European governments to adjust current policies significantly, we believe they would regard a total Iranian victory and a major immediate boost in Iran's prestige and power as potentially serious threats for Western interests and the stability of regional states. Allied governments would likely argue to US officials that increased contacts and dealings with Iran would enhance prospects for moderation and mitigate danger from Iranian action in the wake of victory. At the same time, we believe some West Europeans, most notably the British and French, would step up security cooperation—including arms sales, technical advice, and naval visits—with threatened Gulf states and encourage regional security cooperation as a deterrent to Iran. []

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52. Many countries, including from among the OECD, probably would begin or continue arms sales to Tehran, fearing that they would be cut out completely from a lucrative arms market if they waited any longer. Pakistan would move to improve commercial and political ties to Iran, hoping to dissuade Tehran from fomenting further unrest among Pakistan's Shias as well as to encourage cooperation on Afghanistan. []

53. Turkey would view any Iranian victory with alarm, fearing it might lead to serious instability in Turkey, including stepped-up danger from Islamic fanaticism and the Kurdish insurgency, and, over time, pose a security threat to Turkey's eastern flank. To counter this longer-term threat, we might expect Ankara to increase its cross-border operations into northern Iraq to quell any upsurge of Kurdish agitation. Ankara would also be likely to seek regional cooperation with Persian Gulf states aimed at countering what it would perceive as a continuing threat to the region. []

54. Iranian-Chinese relations, already improving, are likely to become even stronger after a victory, especially because of shared anti-Soviet interests in Afghanistan. China is badly in need of foreign exchange and will compete for commercial and military contracts in Iran after the war. Although we do not believe the magnitude of an Iranian victory will affect China's interest in improving ties, Beijing might be inclined to temper its relationship with Tehran in exchange for attractive Saudi or Gulf Arab inducements. []

Implications for the Soviet Union

55. Any Iranian victory would run counter to Soviet interests. A total victory would force Moscow to make painful readjustments in its policy toward the Persian Gulf and the Middle East as a whole. In any case, a victorious Iran would be unlikely to improve ties significantly to Moscow or give in to Soviet pressure. The Soviets are concerned Islamic fundamentalism might attract followers among the USSR's approximately 45 million Muslims, spreading its influence beyond Iranian borders. Besides threatening the USSR directly, Soviet leaders believe that the spread of Iranian-style Islamic fundamentalism probably would threaten Soviet interests in the region by:

- Drawing the other Gulf states even closer to the United States for security assistance.
- Freeing up Iranian assets that could be used to support the Afghan insurgents.

— Threatening Moscow's most important ally in the region, Syria. []

56. Moreover, the defeat of the Iraqi regime, linked to Moscow by a Treaty of Friendship and Cooperation since 1972, would diminish Soviet credibility as an ally and undercut further the value of Soviet military equipment. The extent to which the USSR would respond to an Iranian victory, however, would depend on the magnitude of an Iranian victory, Tehran's next moves, and the nature of the US response. If Iran avoids a more aggressive posture after victory, the USSR is unlikely to send a cautionary signal, such as troop movements on their joint border, to warn Iran against future involvement in other countries. Steps the Soviets could take to improve ties to Iran may include:

- Returning Soviet technicians to Iran to complete economic projects.
- Seeking to expand trade, especially in the oil and gas industries.
- Offering to sell Soviet military equipment on terms beneficial to Iran, provided they received assurances it would not end up in the hands of the Afghanistan resistance. []

57. Of particular importance to the Soviets would be the US reaction to an Iranian victory. Closer security cooperation between the United States and Gulf states, in the form of joint exercises and more frequent port calls, probably would evoke little more than Soviet media blasts. A substantially larger US military presence in the area, in the form of basing rights for example, would register more Soviet concern. The Soviets could be expected to try to provoke Iranian anxieties if any Gulf state provided the United States with bases or supported an increased Western naval presence. They also may encourage a return to South Yemen's policy of supporting subversion against its neighbors, such as through the moribund Popular Front for the Liberation of Oman or the North Yemeni opposition group the National Democratic Front. []

58. The worst case for Moscow would be some form of active US military intervention in the Gulf in response to hostile Iranian activity. The precise Soviet response would be a function of specific US or Western action. If US and Iranian air or naval forces clashed briefly, the Soviets probably would respond diplomatically, probably most forcefully through the UN. They could offer the Iranians some intelligence on US naval movements, provide some weaponry, and

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also might increase their own military presence in the Indian Ocean. US intervention in Iran or an Iranian-controlled Iraq almost certainly would evoke a stronger Soviet response. The Soviets might offer more sophisticated arms to the Iranians, as well as intelligence, and probably would mobilize some of their forces in the Iranian border area. Under a prolonged US intervention, direct Soviet intervention, especially in northern Iran, could not be ruled out. []

59. The Soviet approach toward Iraq would be a function of Baghdad's relations with Tehran. If a Shia clerical regime was placed in Baghdad, the Soviets probably would subordinate their policy toward Iraq to their objectives in Iran. If, however, Baghdad is not compliant to Tehran or if Iraqi territory is divided, Moscow probably would seek to maintain some balance between the two countries. []

60. The opportunities for the Soviets resulting from an Iranian victory are limited. Nonetheless, the Soviets almost certainly would try to capitalize on the Gulf states' fear of Iran by offering, with only limited success, a closer security relationship with Kuwait and by trying to establish security ties to Oman and the United Arab Emirates. They also would try to present their potential restraining influence on Iran as another reason for Saudi Arabia, Qatar, and Bahrain to establish diplomatic ties to Moscow. Jordan is another country where the Soviets may try to exploit heightened security concerns, especially if the United States does not satisfy new arms requests. []

Implications for US Interests and Policy Options

61. Any Iranian victory would in some measure threaten US interests in the Middle East because it would invigorate anti-US Islamic forces, menace the stability of moderate, pro-Western Arab governments, make possible the disruption of Persian Gulf oil exports to the West, and embolden Iranian efforts to undermine US political, economic, and strategic interests throughout the Islamic world. The greater the magnitude of victory, the greater the potential for Iranian troublemaking and damage to US interests. []

62. US interests probably would be most threatened by the likely rise in Islamic fundamentalism and popular unrest in moderate Arab states. Any resulting instability in Bahrain, Kuwait, or Egypt would favor radical forces, and opposition activities probably would have strong anti-US overtones. US security and political ties to these states almost certainly would become more frequent targets of popular criticism.

Some regimes, already beset by mounting economic problems, would be hard pressed to handle political disturbances and might face serious challenges to their rule. We also would expect some political unrest stemming from an Iranian victory to develop in Saudi Arabia and Pakistan, as happened in 1979 after the fall of the Shah. Moreover, the strengthening of hardliners in Tehran would increase prospects for Iranian-sponsored subversion and terrorism against these moderate regimes as well as against US facilities and personnel in the Persian Gulf. []

63. Gulf Arab regimes would be unlikely to request a significant upgrading of their security ties to Washington after a limited Iranian victory, fearing it would antagonize Iran. A total Iranian victory almost certainly would prompt some Arab states to request increased US military assistance, which would significantly raise the potential for US involvement in regional hostilities. At the same time, Iran would be testing the depth of the US commitment to the security of Gulf Arab regimes; we would expect Tehran to increase gradually its aggressive activities as a way to determine when and how the US might intervene. Aside from emboldening Iran to subvert Gulf regimes, a perception that the United States was not willing to commit itself to defend the security of the the Gulf states would generate political unrest and even panic throughout the Gulf. []

64. Although we judge a total Iranian victory followed immediately by Iranian military moves against regional states as unlikely, this scenario would pose an extremely dangerous threat to US security interests. Iranian military aggression against the Gulf states would threaten the flow of oil exports to the West, and US military involvement almost certainly would prompt a Soviet reaction as outlined earlier. []

65. Because of Iran's strategic location on the border of the Soviet Union and the northern shore of the Persian Gulf and because of its human and mineral resources, it will remain of key concern to the United States, and a major factor in US policy in the area. However, after virtually any Iranian victory, Tehran is likely to remain hostile to the United States for at least several years, and Iranian leaders would seize opportunities to weaken US influence in the region. Tehran's hostility toward the United States is more the product of the revolutionary nature of the Iranian regime and the legacy of US support for the Shah than a consequence of an Iranian victory in the war. To the extent that a victory solidified the clerical regime's position within Iran and strengthened hardliners within the leadership, the anti-US sentiment of the Iranian Government would become even more engrained. []

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66. At the same time, certain events resulting from an Iranian victory would offset partially the damage to US interests and influence in the Middle East. Any Iranian victory would tend to foster closer military and security ties between the United States and some Arab states of the Persian Gulf, as these states would perceive themselves vulnerable to Iranian aggression. Riyadh would be likely to engage in more contingency planning with the United States. Only after a total Iranian victory and perhaps the threat of imminent invasion would Saudi Arabia and some other Gulf Arab states be likely to allow the pre-positioning of US military equipment on its territory and grant the US limited access to military facilities. Bahrain and Kuwait would be the most likely of the GCC states to follow the Saudi lead in improving ties to the United States. The degree to which the GCC states were willing to move closer to the United States would depend heavily on the level of their confidence in a strong US commitment to their security and in US willingness to commit itself militarily to protect them.

67. As long as a Sunni regime remained in power in Baghdad, there is some chance a defeated Iraq would try to foster improved ties to the United States and expand its relations with moderate Arab states like Saudi Arabia, Jordan, and Egypt. Soviet failure to prevent an Iranian victory also would somewhat un-

dermine Moscow's influence in Baghdad, and we would expect an erosion of Soviet influence in Iraq over time. The damage throughout the region to Soviet prestige as an ally and as the superpower patron of the Arab cause also would work to US benefit.

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68. Although an Iranian victory would give an initial boost to the anti-US factions of the clerical regime, we would expect that moderate and Western-educated technocrats probably would have an increased say in the rebuilding of Iran after the war because development strategies and planning would be emphasized and ideological pursuits would over time become less important. These developments, particularly in a limited victory scenario, might serve to reduce Iran's antagonism toward the United States in the longer term.

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69. Despite the depth of Iranian hostility toward the United States, we believe Tehran and many Iranians would distinguish between their disdain for the US Government and their willingness to engage in commercial ventures with US companies, particularly in the high-technology fields.

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